

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF DOWNSTREAM, INC.)	
FOR A RATE ADJUSTMENT PURSUANT TO)	CASE NO. 95-240
THE ALTERNATIVE RATE FILING PROCEDURE)	
FOR SMALL UTILITIES)	

O R D E R

On June 19, 1995, Downstream, Inc. ("Downstream") filed an application for Commission approval of a proposed increase in its rates for sewer service. Downstream's proposed rates for sewer service would generate additional annual revenues of \$1,227, an increase of 44.86 percent.

In August 1995, the Commission Staff conducted a field review of Downstream's test-period financial records. Based upon this review, Commission Staff issued a report on October 6, 1995 recommending an increase of \$1,791 in Downstream's annual operating revenues for sewer service.

By Order dated October 6, 1995, the Commission advised Downstream that comments on the Staff Report or requests for a public hearing must be submitted no later than October 21, 1995 or this case would stand submitted to the Commission for decision. Downstream accepted Staff's recommendations and waived a formal hearing by letter dated October 9, 1995.

The Commission, after consideration of the evidence of record and being otherwise sufficiently advised, finds that:

1. The recommendations and findings contained in the Staff Report are supported by the evidence of record, are reasonable, and

are hereby adopted as the findings of the Commission in this proceeding and are incorporated by reference as if fully set out herein.

2. The rates in Appendix A are the fair, just, and reasonable rates for Downstream and will produce gross annual revenues of \$7,823 for sewer service based on adjusted test year sales. These rates will allow Downstream sufficient revenues to meet its operating expenses and provide for future equity growth.

3. The rates proposed by Downstream would produce insufficient revenues to meet its operating expenses and provide for future equity growth and should be denied.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Downstream in its application are hereby denied.

2. The rates in Appendix A are approved for service rendered by Downstream on and after the date of this Order.

3. Within 30 days of the date of this Order, Downstream shall file with the Commission its revised tariff setting out the rates approved herein.

Done at Frankfort, Kentucky, this 30th day of November, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner

APPENDIX A

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 95-240 DATED NOVEMBER 30, 1995.

The following rates and charges are prescribed for the customers served by Downstream, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Monthly rate	
per single-family residence	\$27.51